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THE PRESIDENT'S INTELLIGENCE CHECKLIST

10 JULY 1962
~~TOP SECRET~~

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Page Denied

1. Communist China

a.

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erected barracks and other military structures in an area close by the Chinmens.

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2. Brazil

The Brazilian Chamber of Deputies, quite obviously persuaded that its tug-of-war with Goulart has put a dangerous strain on the political situation, earlier today approved Brochado da Rocha as prime minister. We do not yet have a breakdown of the vote by parties, but the 215-58 count would have been impossible without a good number of grudging votes from moderate-conservative ranks. By way of underscoring Goulart's victory, the new prime minister is already talking publicly about a plebiscite to rule on presidential vs. parliamentary powers.

3. Laos

a. The South Vietnamese have placed themselves in a position of "present but not participating" at Geneva. The Foreign Minister intends to remain on hand but refuses to say whether he will or will not subscribe to the conference agreements. We expect it will be later today, at the earliest, before there is any word from Saigon concerning the President's letter to Diem.

b. Back in Laos, the three factions have agreed to take a partial step toward military integration by constituting composite battalions at Luang Prabang, Vientiane and Khang Khay.

4. Bloc economic conference

a. Further evidence that the Bloc's economic coordinating council (CEMA) is currently wrestling with problems of special import comes in word that it is about to meet again in Moscow, for the second time in a month. Eastern Europe's stumbling agriculture seems certain to draw a close look, but we would suppose that the evolving economic situation in Western Europe will also be near the top of the agenda.

b. Bloc representatives elsewhere are, meanwhile, trying to put some impetus behind the Khrushchev proposal for a world trade conference. They made some headway last week toward securing formal endorsement for such a conference from the UN's Economic and Social Council, meeting in Geneva. If ECOSOC approval can be had, the proposal can then be taken to next fall's General Assembly.

5. Indonesia-Netherlands

Indonesian Ambassador Malik is scheduled to leave for Washington tomorrow to reopen talks with the Dutch. He is being given authority to reach a "gentleman's agreement" but not to initial anything binding, and the plan is to have Subandrio follow in about a week if things seem to be going well. Jones reports that Sukarno is showing signs of cautious optimism for the first time, and it seems to have dawned on the Indonesians that they will do better to make as much headway as possible with Van Roijen rather than wait for [redacted] Luns to enter the picture.

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6. Austria-USSR

[redacted] Moscow will no doubt want to have its say [redacted]

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NOTES

- A. South Korea has a new premier, Kim Hyon-Ch'ol, in place of General Pak who took over temporarily last month when the incumbent resigned. Kim, who was once Finance Minister under Syngman Rhee, is not a political factor in his own right and his appointment seems likely to have little bearing on the factionalism within the junta.
- B. In the aftermath of his agreement with De Gaulle to speed up work on a European political treaty, Adenauer has invited Spaak to visit Bonn at an early date. Spaak takes it for granted that the Chancellor will try to chip away his resistance to moving ahead on the political front while British accession to the EEC remains unsettled.
- C. Independent Rwanda last Thursday had its first encounter, in what promises to be a continuing series, with invading Tutsi tribesmen pledged to overthrow the predominantly Hutu government. 50X1
the invaders, who had a stock of Soviet propaganda and money, were routed without the help of Belgian troops who remain until August 1 only.
- D. Embassy Cairo reports that Nasir's speech at the opening of the underdeveloped nations economic conference yesterday was restrained and "no problem" from the US point of view. 50X1
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THE DIRECTOR OF CENTRAL INTELLIGENCE